GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:310
ANSWERED ON:27.02.2008
EMPOWERING PANCHAYATS
Ponnuswamy Shri Mohan

Will the Minister of PANCHAYATI RAJ be pleased to state:

(a) names of the states who have implemented the 73rd constitutional Amendment of 1992 with regard to empowering Panchayats; and

(b) total allocation of funds for Panchayats by both State and Central Government?

Answer

MINISTER OF PANCHAYATI RAJ(SHRI MANI SHANKAR AIYAR)

(a): The 73rd Constitutional Amendment incorporated Part IX covering Article 243 and Articles 243 A to 243 O in the Constitution of India. In pursuance of Article 243 B of the Constitution, all States to which provisions of this constitutional amendment apply, (except Jharkhand) have constituted Panchayats. All the States concerned have enacted conformity legislations to the 73rd Constitutional Amendment in the form of State Panchayati Raj Acts.The State Panchayati Raj Acts define the contours of implementation of Panchayati Raj in different States.All the States have provided for reservation of seats for SC, ST and women in conformity to Article 243 D.The States of Bihar and Madhya Pradesh have amended their State Acts to provide for 50% reservation to women and Sikkim provides for 40%. Except Jharkhand (where Panchayat elections have not been held as the quantum of reservation for STs is sub judice before the Supreme Court), the elections to Panchayats have by and large been held regularly in all the states/UTs in conformity to Article 243 E.All the States have constituted the State Election Commissions which have the mandate to ensure compliance of the provisions enshrined in Article 243 F.

Article 243 G provides for "devolution," that is, the empowerment of Panchayati Raj Institutions to function as institutions of self government for the twin purposes of

(i) making plans for economic development and social justice for their respective areas, and

(ii) implementing programmes of economic development and social justice in their respective areas, for the subjects devolved to the PRIs, including those listed in the Eleventh Schedule, and subject to such conditions as the State may, by law, specify.

The Ministry of Panchayati Raj has been organizing Round Table meetings involving the State Ministers of Panchayati Raj to evolve a consensus on the way forward. In the 1st and 2nd Round Table meetings held in Kolkata and Mysore respectively, it was agreed that states must devolve funds, functions and functionaries through the mechanism of Activity Mapping by following the principle of 'subsidiarity'. The Central Government has regularly followed up on this issue for ensuring effective devolution to Panchayats by the States.

In the spirit of Article 243 H, the State Governments have been regularly pursued to provide untied grants to the Panchayats from the Consolidated fund of the States and to open a Panchayat sector window in their State's budget to supplement the resources of the Panchayati Raj Institutions. In conformity to Article 243 K, all State Governments have constituted State Election Commissions to ensure free and fair elections to the PRIs on the completion of each five year cycle and also to fill the casual vacancies that may arise during the cycle.

In pursuance of Article 243 M of the Constitution, the Parliament enacted the Panchayats (Extension to the Scheduled Areas) Act, 1996. This Act extends the provisions of Part IX of the Constitution to the tribal areas of nine States, i.e. Andhra Pradesh, Orissa, Chhattisgarh, Jharkhand, Rajasthan, Madhya Pradesh, Gujarat, Himachal Pradesh and Maharashtra that are listed in the Fifth Schedule to the Constitution. All the States concerned have enacted conformity legislations to this Act.

(b): A major issue concerning financial devolution to Panchayats is to ensure that the financial allocation in respect of those powers and responsibilities devolved upon Panchayats and in respect of schemes entrusted to Panchayats for implementation in terms of Article243G of the Constitution, actually reaches the Panchayats. The Central Government ensures that funds meant for Panchayats first flow into the Consolidated Fund of the State Governments, but should then be speedily transferred direct to the Panchayats, without delay or diversion. The grants recommended by the Twelfth Finance Commission and the grants released under the Backward Regions Grant Fund conform to this fund flow. The details of funds released to States for onward transmission to Panchayats on the basis of the recommendations of the Twelfth Finance Commission and the Backward Regions Grant Fund in 2007-08 are at Annexe-I and Annexe-II, respectively.

All the resources from the Central Government or the State Governments, directed to Panchayats, converge in the Consolidated Fund of the States. The Central Government is of the view that a clear picture of financial allocations from the Consolidated Fund of the States to Panchayats can emerge only when the States create Panchayat sector windows in their Budgets. The system of creating a Panchayat Sector window in the budgets of States has been adopted by some States, namely, Karnataka, Kerala, Maharashtra, Gujarat, M.P., Chhatisgarh and Rajasthan.